

## Message Text

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FM SECSTATE WASHDC

TO USMISSION OECD PARIS

C O N F I D E N T I A L STATE 167746

LIMDIS FOR JOSEPH WINDER

FOLLOWING TEL FM KUWAIT DATED 7/1/76 ACTION SECSTATE AND DEPT OF  
TREASURY REPEATED FOR YOUR ACTION

QUOTE:

C O N F I D E N T I A L KUWAIT 3153

LIMDIS

TREASURY FOR SECRETARY SIMON

E.O. 11652: GDS

TAGS: EFIN EAID PFOR IDF KU

1. DURING COURTESY CALL ON ATIQUI JULY 1, I TOOK OCCASION TO PASS  
ON TO HIM PERSONAL REGARDS SECRETARY OF TREASURY SIMON HAD  
ASKED ME TO CONVEY TO HIM. ATIQUI SPOKE OF HIS RESPECT FOR SIMON'S  
ABILITY AND DEDICATION. HE ALSO SAID HE HAD MESSAGE HE WISHED ME  
TO PASS ON TO HIM. HE HAD NOT WANTED TO PUT IT IN WRITING, BUT  
DID WANT IT TO GET TO SIMON PERSONALLY.

2. ATIQUI BEGAN BY COMPLAINING THAT OIL PRODUCING COUNTRIES WERE  
BEING PRESSURED BY INDUSTRIALIZED COUNTRIES TO CONTRIBUTE AID TO  
DEVELOPING COUNTRIES. WHILE THEY WERE PREPARED TO AID DEVELOPING  
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COUNTRIES, AND INDEED, DID SO, THERE WAS GROWING AVERSION TO

HAVING TO DO SO UNDER SUCH DIRECT PRESSURE. MAJORITY OF OIL PRODUCERS, EXCEPT FOR SAUDI ARABIA AND KUWAIT, EITHER BROKE EVEN OR WERE IN DEBT.

3. ATIQUI THEN CAME TO PRINCIPAL POINT OF HIS MESSAGE, NAMELY, THAT KUWAIT DID NOT WANT TO CONTRIBUTE ITS SHARE OF PROFIT REALIZED BY THE SALE OF GOLD TO FUND TO ASSIST DEVELOPING COUNTRIES. WHILE KUWAIT'S \$4.8 MILLION, WAS SMALL, IT WAS A MATTER OF PRINCIPLE TO HIM, KUWAIT HAD MANAGED TO BE INCLUDED ON LIST OF DEVELOPING COUNTRIES, BUT IT WAS HIS UNDERSTANDING THAT IMF PRES WITTEVEEN WAS UNDERTAKING DISCUSSIONS AIMED AT GETTING THE OIL PRODUCING COUNTRIES TO DONATE THEIR SHARES TO THE DEVELOPING NATIONS, AID FUND. IN KUWAIT'S CASE, THIS WOULD MEAN GOING TO THE NATIONAL ASSEMBLY TO HAVE AN AUTHORIZATION LAW PASSED AND THIS WOULD REQUIRE A GREAT DEAL OF TIME AND EFFORT.

4. ATIQUI SAID CONTRIBUTION UNDER THIS KIND OF PRESSURE WOULD NOT BE DONATION, BUT WOULD SIMPLY MEAN THAT SUCH FUNDS WOULD BE FORFEITED HE WAS GOING TO INSIST THAT KUWAIT'S SHARE NOT BE DONATED, HE HAS THEREFORE TELEXED THE KUWAITI IMF REP NOT TO AGREE TO PERMIT KUWAIT TO BE REMOVED FROM THE DEVELOPING COUNTRY LIST AND NOT TO AGREE TO MAKE DONATION OF ITS SHARE OF GOLD SALE PROFIT.

5. IN CONTINUING HIS COMPLAINT, ATIQUI REFERRED TO INDUSTRIALIZED NATIONS' REFUSAL TO CONTRIBUTE TO THIRD WORLD PROJECTS, CITING THE "THIRD WINDOW" PROJECT AS ONE IN WHICH KUWAIT PUT IN \$20 MILLION, BUT US, GERMANY AND OTHER REFUSED TO JOIN. HE ALSO POINTED TO THE AGRICULTURAL FUND TO WHICH OPEC COUNTRIES HAD CONTRIBUTED \$400 MILLION AND INDUSTRIALIZED NATIONS COULD NOT COME UP WITH THE \$600 MILLION REQUIRED TO REACH THE REQUIRED \$1 BILLION LEVEL.

6. ATIQUI THEREFOR ASKED THAT THE US STAND WITH THE OIL PRODUCING COUNTRIES AND NOT INSIST IN THE IMF THAT PROFITS FROM GOLD RATE BE PLACED IN DEVELOPING COUNTRIES' AID FUND. HE MAINTAINED THAT THIS ISSUE WAS CREATING BAD FEELINGS BETWEEN THE OIL PRODUCERS AND THE INDUSTRIALIZED GROUP.

7. ATIQUI ASKED THAT I CONVEY THIS MESSAGE TO BILL SIMON AND SEND  
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HIM HIS BEST REGARDS. I PROMISED TO DO THIS. I ALSO COMMENTED THAT I WAS NOT FAMILIAR ENOUGH WITH THE GOLD SALE PROFIT ISSUE TO SPEAK KNOWLEDGEABLY ON IT, BUT THAT I DID HAVE DOUBTS ABOUT VALIDITY OF HIS COMPLAINT REGARDING INDUSTRIALIZED NATION PRESSURES. I REMARKED THAT THE US HAD BEEN MAKING SUBSTANTIAL AID CONTRIBUTIONS TO DEVELOPING COUNTRIES FOR MANY YEARS NOW AND YET IT- AND THE OTHER INDUSTRIALIZED NATIONS-WERE UNDER PRESSURE FROM THESE DEVELOPING NATIONS TO DO MORE. IF THE OPEC

COUNTRIES FELT ANY PRESSURE, IT WAS PROBABLY A REFLECTION ON THESE DEVELOPING WORLD REQUIREMENTS TO WHICH THE INDUSTRIALIZED WORLD WAS SEEKING TO RESPOND. I ALSO COULD NOT SHARE HIS ESTIMATE OF FINANCIAL CONDITION OF OIL PRODUCING COUNTRIES, WHERE THERE WAS CASES OF FINANCIAL DEFICIT, THESE WERE PROBABLY DUE TO OVERZEALOUS DEVELOPMENT PROGRAMS AND CERTAIN AMOUNT OF FINANCIAL MISMANAGEMENT ON THE OTHER HAND, THE FINANCIAL DIFFICULTIES CERTAIN INDUSTRIALIZED WERE EXPERIENCING WERE REAL, BUT THEY WERE NEVERTHELESS TRYING TO HELP ALL THEY COULD. ON THE AGRICULTURAL FUND QUESTION, IT WAS MY INFORMATION THAT THE ORIGINAL UNDERSTANDING HAD BEEN THAT OPEC AND THE INDUSTRIALIZED GROUP EACH WOULD RAISE \$500 MILLION.

COMMENT: IF SECRETARY SIMON WISHES TO MAKE AN INFORMAL RESPONSE TO ATIQI'S MESSAGE, I WILL BE PLEASE TO CONVEY IT TO HIM. I SHOULD ALSO APPRECIATE INFORMATION AND/OR APPROPRIATE CABLE REFERENCES RE THE "THIRD WINDOW" PROJECT SO THAT I MIGHT BE ABLE TO COMMENT MORE KNOWLEDGEABLY ON THAT PROJECT'S SHORTCOMINGS IN CASE IT IS MENTIONED AGAIN. MAESTRONE UNQUOTE KISSINGER

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